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ABSTRACT

This paper summarizes the past, present, and future of Eurodisney in France from cultural awareness and cultural business ethics viewpoints, suggesting that although the French have not bought into the American dream that is Disney, they are so heavily involved in Eurodisney from a financial angle that they can do naught but continue to provide financial support. Eurodisney is a European business in trouble; it had tremendous national and local backing and continues to receive local financial support as a matter of cultural obligation to local business and banks. Even though it was 5 billion francs in debt, Eurodisney received renewed financial support from European, and especially French, businesses and banks. It is suggested that Eurodisney brings a conflict between the French and European and the American cultures to the forefront. This is a conflict between the old and the new in an age where the service industries are growing at an unprecedented rate. Entertainment is now a product that must be marketed and sold on a world-wide basis, American style, despite France's desire to control it in a more European business style. (Contains ten references.) (NAV)

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Bill Brooks

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Bill Brooks

Early in 1994 it was announced that Eurodisney was not going to close, and that a financial restructuring, as it is called these days, had been worked out between the parent company Walt Disney Inc ("World Company" as Les Guignols de l'info have baptised it), Eurodisney SCA, its affiliate, and the shareholders. The financial package was being put to the banks and it seems highly unlikely that they will not back it - financial and political force majeure. Thus the highly publicised and heavily marketed invasion of Europe by Walt's World, which only opened for business in 1992, is likely to continue, rescued from financial disaster by a consortium of banks, most of them European, and the majority French, who have too much to lose.

Eurodisney announced debts in November 1993 in excess of 5 billion francs. If this were the USA and not Europe/France, and North American business realism were applied to Eurodisney, the solutions to the problem would be brutally clear: "on ne garde pas un business qui perd"[1]

However this is not the USA but Europe, where the business/financial/political culture is different, and a set of fairy godmothers have been found at this eleventh hour to transform the pumpkin into a shining coach and four. Even big Walt has had to bow to European pressure, and agreed to waive his share of profits and royalties, for the time being at least. So we can all make tracks for the Big Thunder Mountain for our holidays, although it is by no means clear that disaster has been averted.

Last year Eurodisney had operating profits of 650,000,000 FF with debt repayments of 1.7 billion. On the face of it this is hardly the kind of company that a rather fragile European banking system ought to be investing in, and if Eurodisney fails the banks' guarantees are fairly slender. In addition Eurodisney SCA has to pay considerable sums of money to the parent company (another billion) in royalties for ideas and designs for the second park on which

[1] L'Expansion, 20 January, 1994, p.46.

work was supposed to begin in 1994, but which may not now start. Walt Disney Inc. does not have much room for manoeuvre either, since some of its debts (20 billion FF) are spread over a consortium of banks that Disney cannot very easily control:

BNP:	750 million
Crédit agricole:	200 million
Indosuez:	350 million
Crédit foncier:	350 million
Crédit national:	750 million
Long Term Credit Bank of Japan:	400 million
Bayerische Vereinsbank:	300 million
Crédit Suisse:	300 million
Deutsche Bank:	300 million
Dresdener Bank:	230 million
Barclays:	300 million
Citibank:	130 million

The new French manager Phillipe Bourgignon (renamed Monsieur Bouffe by Les Guignols) has been trying to hang in by his fingernails. Walt Disney owns 49% of Eurodisney, and could in theory sell out at a profit, with shares that they bought at 10 francs still trading at around 30 francs. It could be an attractive move since the parent company has not invested anywhere near as heavily as have the Europeans. The original project cost 4.2 billion FF, to which the Walt Disney Company itself only contributed 160 million. Walt Disney could then continue to claim their royalties from their other theme parks across the world. However, such a move would seem unlikely given what Walt Disney still consider the potential of the European market, and that they would not wish to damage their reputation with the international banking fraternity, particularly when they are considering building more theme parks in Europe. It is interesting to note however that the Tokyo Disneyland has been handed over to the Asian banks. In Europe the fear would be that such a move would be a severe blow to those who promote popular capitalism, since the burden would fall on the 200,000 small investors who would be sacrificed.

What then has gone wrong? In theory France might have seemed the ideal springboard for this European development. 15 million Europeans live within a two-hour journey of Eurodisney. It is in France that Disney films like Aladdin

are most successful. The sale of Disney videos breaks all records in France, not to mention all the associated products sold in the Disney stores which opened last year in Paris and in other major regional centres. Successive governments from Fabius in December 1985 to Chirac in 1987 and Rocard in 1988 have backed the project, which after the Channel Tunnel was the second largest major development in France. Nevertheless the number of visitors to Eurodisney is not high enough (only 8 million in 1993), and only 30% of those visitors are French. French Governments of either complexion are embarrassed by the consequences of Eurodisney's failure. The 12,000 jobs that Eurodisney was supposed to provide have had to be revised radically downward. There have been strikes at "Disney -no man's land". The nearby motorway, the A4, has been invaded by angry workers, the CFDT leader has had meetings with Balladur, and there is talk of concerted industrial action worldwide in the Eurodisney theme parks - hardly the magical world that was promised.

There is no doubt that successive French governments, regardless of ideology, have backed Eurodisney to the hilt, as summarised by Claude Villain, government adviser to the Eurodisney project: "On a donné ce qu'on aurait mis dans l'implantation d'une grande usine Michelin."[2]

This is the way the French have traditionally done business, public and private sector working together. In the case of Eurodisney the government may have gone further than it would have done for Michelin. Did they not build an extra 11 kilometres of track for the RER, and provide a station, with plans for a second when the second park is built? Did they not also provide a station on the TGV line which skirts the edge of the park? Have they not built a spur to the A4 motorway to service Eurodisney?

The total cost to the French taxpayer is estimated at 3 billion FF, which Claude Villain claims has already been recouped through VAT on tickets and concessions within the park itself. What use will such an infrastructure be if the park closes? Admittedly it was a huge project, and at a time of economic difficulty and rising unemployment any government would have been sorely tempted by a scheme that envisaged a development of some 2000 hectares by 2017, an area about 1/5 the size of Paris. So far only 600 hectares have been developed, and there is no guarantee at all that the rest will be developed. In

[2] L'Expansion, 20 January, p.49.

terms of employment too the park was and potentially is a major source of jobs. It is estimated that some 40,000 extra jobs have been created indirectly as a result of the park in the Marne la Vallée area, and that Eurodisney has improved the order books of some 136 local companies that supply it. At the outset Eurodisney itself employed 12,000 people of 30 different nationalities. That number has now been reduced to 9,000, only 6,000 of whom have reasonably permanent contracts. The latest employment plan calls for a further reduction of 950 permanent staff, and 450 have already taken voluntary redundancy.

It has not just been the French government that has backed Eurodisney. Major firms have used Eurodisney as a major plank in their marketing strategy - Renault, IBM, France Télécom, and Nestlé, amongst others. It is argued that Nestlé has obtained a foothold in the American market on the basis of its Eurodisney marketing strategy. The head of Public Relations at Renault recently claimed that Walt's World is the ideal image for the two main groups targeted as potential buyers of their cars - the family and the European consumer - the image is "parfaitement en adéquation avec nos voitures à vivre". At Esso it's the same message:

> Nous ne sommes pas venus sur le parc pour vendre quelques milliers de litres d'essence supplémentaire, mais pour accentuer la proximité entre notre marque et les consommateurs européens.[3]

Even given the current difficulties the head of the Disney sponsoring operation at Nestlé still asserts:

> Il faut bien faire comme le public la distinction entre les difficultés de la société Eurodisney et le produit Eurodisney, l'image 'monde magique' est préservée, c'est ce qui nous importe.[4]

There can be little doubt that in certain key centres of French political and economic life the hopes and expectations of Eurodisney were very high indeed. With some 70,000 square metres of office space, and 10,000 square metres of accommodation, it was believed that the relatively slow development of Marne la Vallée and the whole of the commuter region to the east of Paris would be greatly improved. The second park was supposed to be dedicated to the cinema

[3] Régis Mallet, Joint Managing Director, Esso (France).
[4] L'Expansion, 20 January, 1994, p.50.

industry, recording studios, a conference centre, as well as the central office complex for Disney's wider operation in Europe. The third phase of the development would provide further office space and a commercial centre. All that looks a very long way off now, as Disney attempts to sell office space on the proposed second park without much success. It seems probable that the third phase will be abandoned completely. However, the French government is still committed to establishing a University dedicated to Management Science on the second site. In some ways this makes sense, particularly given the massive over-provision of hotel accommodation on the existing Eurodisney site. In the wake of the decision by the hotel chain Accor and the Club Méditerranée not to take over the hotel complex at Eurodisney, it is the Minister for Higher Education who has recently visited the hotel New York, with a view to turning it into residential accommodation for the staff who will teach on the Descartes campus. The Ministry of Education does not envisage using the slightly more "magical" Santa Fé and Cheyenne hotels, which could eventually be demolished, since if Eurodisney does fail the hotels will become white elephants. How will the sumptuous Disneyland hotel attract visitors to the somewhat bleak plains of eastern France under the icy drizzle of a north European winter when a room for four costs a minimum of 1600 francs per night? The middle-range hotel accommodation of the New York and the Newport Bay Club will make nice residential centres for the university, but is hardly likely to attract tourists when there is already overcapacity in two star hotels in Paris itself. It seems very likely that in building a hotel capacity equal to that of Cannes at Eurodisney, the planners underestimated the considerable attraction of Paris not so very far away. Orlando in Florida certainly cannot compete in the same way. We may yet see Eurodisney converted into a school or social housing unless prices are lowered and the tourists begin to arrive in larger numbers.

This would seem to be the key: either the visitors and tourists begin to arrive in the kinds of numbers originally envisaged (11 million per year) or Eurodisney could prove to be a very expensive failure. Will Europe not buy, will the French not buy the American dream? Leaving aside some of the mistakes the planners seem to have made about the climate of Northern Europe, as compared with Orlando or Los Angeles, and the reluctance of Europeans to travel the same kinds of distance for a day out as may happen in the USA, is the real problem cultural? The French point out that other theme parks like Astérix are

successful. Why, despite their best efforts, has Eurodisney not appealed to the French. I have to admit that I have not been there myself, despite many imprecations from my young children, but I am told that the huge Santa Fé hotel with its 1000 rooms is set in the hot idealised landscape of the American West. In the foreground is a giant head of Clint Eastwood, with a cheroot in his mouth, and he is scowling out towards Paris. I am also told that from the top of Sleeping Beauty's castle on a clear day you can see the Eiffel Tower. It is clear what the Disney planners were hoping to do - bring the nations of Europe together in a kind of universal magical world in which national identities would be dissolved into what it is believed all Europeans actually feel happy with, namely the United States as it appears in the movies. They probably also knew that the idea of the "far west" has always had a strong following in France, particularly in the 20th century and even among intellectuals. Cowboy films have always had a following in France as elsewhere, and usually the worse they are the more the intellectual likes them. Christopher Hope refers to Euro Disney as one stage on from the spaghetti western: the "Garlic Western".[5]

Eurodisney is marketed throughout Europe as the land of dreams, but the fact that all the dreams had to be bought under the pressure of the heavy sell may have confirmed French prejudice about Anglo Saxon attitudes to business. The concept that money is everything may still not have been embraced totally in France. I suspect that dreams and profit margins eyed with religious intensity still cause uncertainty in a country which both admires and resents its American cousin. It was Theodore Zeldin who pointed out that France has maintained a very active intellectual resistance to the American way of life, though this did have many active French admirers, while it was the USA that has convinced France that it should abandon some of its protest and at least some of the values which, paradoxically, the Americans had admired more than any other nation. The fact that the French will go in huge numbers to see Walt Disney films at the cinema, buy videos and artefacts, suggests that while they have a more private admiration for the American imaginary world than they would perhaps like to admit they still find the highly drilled public organisation of the heavily sold entertainment industry unattractive: the private and the public and the question of taste. It may be that the constant harrying from those

[5] The Guardian, Weekend, 3 October 1992, p.6.

who wish to sell just one more dream on top of the last one in as short a space of time as possible is counterproductive, and may awaken memories of Duhamel, the most vituperative of anti-American Frenchmen who saw the USA as not having made a contribution to Western civilisation, but representing a deviance and a break from it.

Could it also be that the notion of a pilgrimage to Eurodisney to experience the American Dream, rather than dissolve the demons of nationalism, has in fact roused them? The National Front and the Communist Party unite in their rejection of this attack upon French cultural identity - the famous "Mickey go home" chanted outside the Bourse in Paris when the shares in Eurodisney were first offered, or the condemnation by the National Front of "les gouvernements successifs qui ont cédé aux mirages et favorisé la contamination des esprits par une sous-culture importée de l'étranger."[6]

Perhaps such sentiments strike a chord with many other French people who resent the brash market-related approach of all aspects of Walt's world. "America without the aggro"[7] may seem to some like a contradiction in terms. World Company with its Frontierland, Adventureland, Fantasyland, Discoveryland and Main Street USA, may in fact be more resented in Europe than in Florida or Japan. Christopher Hope compared Eurodisney to the Soviet Union under Stalin: "Surely there can be few places on the planet , since the demise of the Evil Empire, where people have queued for more time for smaller rewards."[8]

There may also be something disconcerting in the curious distinction between the old Disney cartoons and comics and the Disney theme parks. Again it is Christopher Hope who points out that Mickey Mouse and Donald Duck are animals pretending to be people. In the Disney parks real people pretend to be animals so that visitors can pose with a six-foot mouse.

In conclusion, perhaps one can say that Eurodisney brings to the fore a conflict within French and European culture, between the old and the new, between economic, social and cultural priorities, in an age where the service industries are growing at an unprecedented rate and where entertainment is a product

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[6] L'Expansion, 20 January, 1994, p. 51.
[7] C. Hope, The Guardian, Weekend, October 1992, p.8.
[8] C. Hope, The Guardian, Weekend, p.8.

which has to be marketed and sold on a world-wide basis. If it works the rewards can be enormous, and clearly the European banks and the progressives are anxious not to be left behind:

> Qu'il s'agisse de Walt Disney, de Coca Cola, de McDonalds ou de Lévi Strauss certaines marques sont des éléments du patrimoine mondiale et la retraite d'Eurodisney équivaudrait pour l'Amérique comme une sorte de Vietnam du marketing.[9]

The alternative could be seen as Europe surrounding itself with its demons of retreat and protectionism:

> Chacune de nos nations possède sa culture, sa mentalité, son histoire. Chacune est un oeuf dur et les Américains avec leur universalisme sommaire ont cru pouvoir faire une omelette: erreur surtout à cette époque très anti-melting pot. Au fond ce qui se joue à Marne la Vallée se ramène à ceci: va-t-on vers une harmonisation des nations et des cultures ou vers un rejet des unes par les autres.[10]

However, this is an economic view; the world economy, upon which our jobs increasingly depend, requires cultural adaptation on the part of those that invade, and capacities for absorbing another culture for those who are invaded. I feel a bit like poor old Zadig in Voltaire's parody of Jeremiah about the possibility of happiness in the world. Confronted by powers which he cannot understand, but to which he is obliged to submit, all he can say is "mais". Perhaps the French by their refusal to embrace Eurodisney are saying "mais" as consumers, but is there an alternative and brighter future for the people of Marne la Vallée?

[9] Bernard Cathelat, Director of the CCA (Centre for Advanced Communication).
[10] G. Panayotis, Director of MKG, a marketing company for the tourist and hotel industry.